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SIPDIS

COMMERCE FOR KBURRESS
TREASURY FOR DPETERS, RHALL, RABDULRAZAK
STATE PASS USTR FOR LISER, AGAMA
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SUBJECT: NIGERIA: LAGOS BUS RAPID TRANSIT TWO YEARS AFTER

REF: 08 LAGOS 270

11. (U) Summary: Two years after the introduction of the Bus Rapid Transit (BRT) program in Lagos, more Lagos car owners are leaving their cars for faster bus rides into Lagos's business districts. Lagos Bus Asset Management Company (LAGBUS), one of two companies running the service, has covered about 37.5 million kilometers conveying 34.5 million passengers on 1.5 million trips, while the other company has transported an estimated 62 million passengers in its first year of operation. The BRT would be an even more popular option for Lagos commuters if the city can expand the route network and integrate bus system with other forms of transportation. End Summary.

12. (U) Dayo Mobereola, CEO Lagos Area Metropolitan Transport Authority (LAMATA) said told U.S. Department of Transportation's Rita Daguillard and National Transit Institute Director Paul Larousse June 30, that his agency, a semiautonomous transport agency inaugurated in December 2003, had rehabilitated over 50 kilometers of road, launched the Lagos Bus Asset Management Company (LAGBUS) in 2007 and the Bus Rapid Transit Company (BRTC) in March 2008 to run bus services on dedicated lanes in the metropolis. These are the first steps in creating an efficient, effective and affordable multi-modal public transport system in Lagos, that will integrate rail and water transport with the currently over taxed road transportation system. (Note: LAMATA was established with the World Bank's technical and financial assistance of a \$100 million credit. The Lagos state government provided a \$35 million counterpart fund. End note.) (Ref A).

LAGBUS and BRTC Success

13. (U) When it introduced LAGBUS in 2007, LAMATA had the uphill task of moving over seven million passengers daily in Lagos on three routes with 123 Brazilian-made "Marcopolo" public buses. Mobereola claims the system has been a great success and it has expanded operations to 29 routes with over 500 buses. Tunde Disu, CEO of LAGBUS said the company, which runs Marcopolo buses that can carry 46 passengers at a fare of naira 120 (\$0.81) per passenger and air-conditioned Daewoo buses that can seat 43 persons at fare of naira 150 (\$1) for the extra comfort, has covered about 37.5 million kilometers conveying 34.5 million passengers on 1.5 million trips.

According to Mobereola, BRTC moves an average of 200,000 passengers daily and an estimated 62 million passengers were transported in the program's first year. Recently both operators have extended their routes, with BRTC serving Ikorodu and LAGBUS serving Victoria Island. LAGBUS now runs two park and ride terminals which is encouraging more car owners to drop their cars and ride the buses into the business districts. With a round trip bus commute costing naira 300 (\$2) plus a naira 200 (\$1.35) parking charge, more and more car owners are realizing they can save money and time using this service. A trip by car from the Lagos-end of the Lagos-Ibadan expressway can take two and a half hours if there is no rain. Using dedicated bus-only lanes, a BRT bus can make the same trip in one hour.

¶4. (U) LAGBUS directly employs about 600 people, and provides indirect employment to another 1,000 including ticket vendors, Disu said. LAGBUS and BRTC operate prepaid ticketing bus services where paper tickets are sold wholesale (mostly by designated commercial banks) to independent vendors who station themselves at different bus stops to sell to commuters. Some regular commuters also purchase bulk tickets in advance for future trips. The prepaid ticketing system makes it easy for the bus companies to recover investments and to project income. This is probably the core of the system's success.

Fleet Maintenance Procedures Raise Concerns

¶5. (U) Like BRTC, LAGBUS procured buses with bank loans guaranteed by the Lagos State government (LSG). While LAGBUS is a partnership between the LSG and private sector investors, BRTC is a partnership

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between LAMATA and the National Union of Road Transport Workers (NURTW) who run the company's 220 buses. Both companies currently do fleet maintenance in-house. Disu said the company's 16-man maintenance team, mostly trained on the job, is grossly inadequate to service LAGBUS's growing fleet especially with the planned introduction of buses using hydraulics. Disu lamented the dearth of experienced mechanics but claimed that the team gets support from Daewoo Autoland Nigeria and that Marcopolo Brazil plans to help LAGBUS set up a functional maintenance workshop in Lagos. BRTC maintenance manager said the company has one workshop, nearby its terminal, staffed with locally trained mechanics. (Comment: Although the buses have a lifespan of 10-12 years, BRTC plans to replace its buses every four years because of wear and tear caused by bad roads and low quality maintenance. Poor maintenance is probably a major problem for the two companies. End comment.)

Infrastructure Challenges Undermine Success

¶6. (U) Both LAGBUS and BRTC complained that the bad roads and poorly designed road networks have undermined the growth of the business. Although Disu acknowledged LAMATA's efforts at rehabilitating dedicated BRT lanes, many other lanes and routes are in deplorable states. These cause heavy traffic, resulting in low bus turn-around time, leaving commuters stranded and negatively impacting on the company's projected income. Disu also outlined poor traffic management, inadequate personnel training and capacity, as well as inadequate bus stations and depots as other challenges facing the both companies.

¶7. (U) Comment: As more car owners stranded in Lagos traffic watch the BRTC and LAGBUS buses zoom past in their dedicated, bus-only lanes, more are tempted to dump their cars and hop on. However, the bus routes are still limited and Lagosians that commute from far flung areas still have to drive or rely on the privately run mini buses. The more the bus networks can expand outside the metropolis, provide park and ride services and integrate with other transportation modes like the ferries, the more Lagosians will be moved to switch to public transit options. End comment.

¶8. (U) This cable has been cleared by Embassy Abuja.

BLAIR